

**September 25, 2006**

**City of Milton-Freewater  
City Council Minutes**

The Council of the City of Milton-Freewater met in regular session Monday, September 25, 2006 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Keith Woods, Debbie Kelley and Steve Irving. Councilor Humbert was recently married and on his honeymoon and Councilor Lyon was recovering from surgery. Youth Representative Potts was not in attendance due to her employment.

Staff members present were City Manager Delphine Palmer, Assistant City Manager Linda Hall, Police Chief Mike Gallaher, Public Works Superintendent Dave Bradshaw, Finance Director Dave Richmond and Sanitation Truck Driver Tim Smock.

Citizens present were Ed Chesnut and Merle Sherman. Also present was Bryan Foster of Western Systems & Fabrication of Albany, Oregon.

Press member present was Melanie Hall of the Valley Herald.

CONSENT CALENDAR ITEMS: The consent calendar items consisted of minutes from the September 11, 2006 city council meeting and work session. Councilor Kelley motioned to adopt the consent calendar item. Councilor Woods seconded the motion which passed unanimously.

**NEW BUSINESS**

BID AWARD – HAY SALES. Public Works Superintendent Dave Bradshaw stated staff had advertised for the City share of hay produced at the land application farm. Only one bid was received from Jeff and Tim Leber in the amount of \$45,796.16 for Lots #1-8 and pasture lease, excluding Lot #4 as there was no bid received. Mayor Key asked what would be done with Lot #4. Mr. Bradshaw said he will try to negotiate for the sale of Lot #4 hay with Jeff and Tim Leber, or explore other options.

Councilor Woods said he thought the price of hay was only going up. Mr. Bradshaw said this was true, that the City was doing better than they did several years ago, although not as high as eight to ten years ago, but the price is continuing on an upward trend.

Councilor Kelley motioned to award hay sales of Lots #1-3 and 5-8 to Jeff and Tim Leber in the amount of \$45, 296.16 and to award the pasture lease to Jeff and Tim Leber in the amount of \$500.00 and authorize Mr. Bradshaw and City Manager Delphine Palmer to work together to find the most lucrative deal for Lot #4. Councilor Woods seconded the motion which passed unanimously.

BID AWARD – GARBAGE TRUCK PURCHASE. Public Works Superintendent Dave Bradshaw stated three bids were received on this RFP (Request for Proposal). One was rejected because it did not meet all of the specifications. Specifications were determined by both the Heavy Equipment Mechanic Jim Olsen and Sanitation Truck Driver Tim

Smock. The recommendation is to award the bid to low qualifying bid of Western Systems & Fabrication.

Councilor Kelley motioned to award the purchase of a new garbage truck to Western Systems and Fabrication in the amount of \$203,061.00. Councilor Woods seconded the motion which passed unanimously.

**Mayor Key announced this was the opportunity for citizens to approach the council with issues not on this agenda.**

### **MANAGER'S REPORT**

City Manager Delphine Palmer announced the promotion of Dave Bradshaw from his position as Public Works Superintendent Trainee to Public Works Superintendent. Howard Moss will be retiring in 2007 and for the next year will assume the position of Project Manager. Mayor Key stated that Mr. Bradshaw handled the position as Trainee very well as it could have been an awkward transition.

Councilor Irving moved to accept these promotions and title changes. Councilor Kelley seconded the motion which passed unanimously.

Ms. Palmer said she had spoken with Mr. Clive Kaiser, the local Extension Agent, regarding the City's proactive stance against the codding moth issue with the elimination of 42 trees. Mr. Kaiser said there were several other concerns for the Walla Walla valley that could impact agriculture, especially the wine industry. Ms. Palmer said she would like for the City to work together with Mr. Kaiser and have a campaign to educate citizens. Ms. Palmer said she has asked Community Development Supervisor Mike Watkins to accompany Mr. Kaiser to Hood River to discuss the excellent program Hood River's City Council has developed by resolution.

Staff is working hard to organize everything for the "Make A Difference Day" project. Mark Gilbert, LDS Church project leader, has submitted an estimated budget of \$100,000 for the project. With the City's commitment and estimated donations, Ms. Palmer felt funding should reach an estimated \$60,000 for this project. Mr. Gilbert said the cost for the exterior stucco coating for the Community Building is estimated at \$40,000. If the City were to purchase this product, the cost would be approximately \$70,000. Staff looked hard for the additional \$40,000.00, but was unable to find the additional funds. Ms. Palmer said she was hopeful the group would allow the City to work on this for a year to raise the funds necessary with grants and donations. Some other cuts in the project would be the asphaltting of the parking lot and a portion of the park adjacent to the Community Building. The current project will include everything inside the Community Building, including lights, flooring, windows, etcetera, and then the McRae/Ireland Field. There is a lot of citizen interest in the latter project and donations are coming in specific to this portion of the project.

Ms. Palmer announced that there is an author writing a book on Oregon curiosity. This person writes for a national tourism book publishing company. She has been in contact since she heard about our frogs and a number of pictures have been sent to her to include in

the book. As soon as the book is published, the City will receive several copies. People are really paying attention which will help with the City's tourism.

On October 9<sup>th</sup> city staff will attend a mandatory all-day training for employees on Incident Command System. To receive federal Homeland Security Department grants, it is required that all employees have this training. This training addresses the federal system to be used during catastrophic events that the City cannot handle alone. The training will be from 7:30am to 4:00pm and all will be tested afterward to receive the certification, which is required to receive further grant funding from the federal government.

On Wednesday, October 13<sup>th</sup>, the new power transformer was delivered to the Milton Substation and it was a major task to unload, but it is now installed.

City police officers assisted the narcotics team seizing about sixteen marijuana plants from an indoor grow within the city.

Emergency Communications Supervisor Jeannie Walker is preparing the dispatch center for the installation of the new work station which will be here the week of September 25<sup>th</sup>. Ms. Palmer announced she would like to have an open house so the Mayor and all of the Councilors can come to see the new addition. Assistant City Manager Linda Hall reported that the new dispatch center work station is paid for completely through Oregon State because the City hired a disabled worker through the Worker's Compensation program. This program allows work stations to be modified and will be approximately a \$25,000 improvement.

Accounting auditors will be here for approximately two weeks. Finance Director Dave Richmond is working extremely hard. This is a new auditing team this year, and this team only audits cities. They are extremely thorough and are requiring all different types of reports. Mr. Richmond is preparing seven pages of eighty different schedules for this team.

Public Works Superintendent Dave Bradshaw showed Ms. Palmer several major leaks found in the swimming pool at the Aquatic Center and are currently repairing. Ms. Palmer said the city employees are doing a really nice job on the pool. Public Works crews are short-handed this week as several are out working to obtain their required certifications.

Mayor Key asked if the pool would be filled with water after the repairs as it was determined previously that this may be where the initial problem may have began. Mr. Bradshaw said each individual feed line on the bottom of the pool would be opened and air-pressure testing performed. If it can be repaired, staff will fill the pool with water. If it has to be opened up, this will be done next spring.

Councilor Woods stated that the City of Hood River did a fabulous job of placing all of their power and other overhead wiring, underground. This was done using their Urban Renewal Agency funds. Councilor Woods suggested that Mr. Watkins speak with Hood River's Urban Renewal Agency staff to find out how this was accomplished. This was approximately a \$700,000 project to place overhead wires underground in the entire downtown area of Hood River and it looks really nice. Ms. Palmer said she was impressed

with Hood River's port district and the amount of money invested in facilities to encourage tourism and their chamber office supports this too.

### **COUNCIL ANNOUNCEMENTS**

Councilor Kelley said she had not heard anything about wind energy depreciation schedules from the county or the state and asked if city staff had heard anything more. Ms. Palmer said she had not.

Councilor Kelley said, regarding the "Make A Difference Day" project, that during the work session a possible loan from the electric department was discussed that could be paid back over a few years to make up the difference. Councilor Kelley proposed as a resolution that the council make that proposal to fund the project. Councilor Kelley said she did not want to be concerned with whether the project would be done or not at another time. Councilor Kelley said she felt that having the community building completely done will bring many good things to the City. Councilor Irving stated he felt this would bring better things to that downtown core that has suffered over the last few years. Mayor Key announced that Susan Dohrman had received an email from the Ford Foundation saying they were not taking applications at this time, but may in another year. However, staff at the Ford Foundation suggested the Meyer Trust. Ms. Palmer said department heads were all looking into additional funding for this project, but one of the problems is the restrictive time frame. Ms. Palmer asked Finance Director Dave Richmond if it would be possible to take a loan from the electric department. Ms. Palmer further said that it would be nice to complete the project, but that the City's finances are tight. Mr. Richmond said staff would not want to clear every community service budget item as we are only in the second month of the current year's budget. Mr. Richmond further said that he did not feel the investment of \$40,000 would bring in \$400,000 worth of goods and services. That he would rather see staff continue their work to obtain grant funding and complete this work on our own. But if the Council would choose to secure a loan, Mr. Richmond said he would go through a local bank citing the recent loan for the new garbage truck at a low interest rate of 4.99 %.

Councilor Kelley said that it may be \$0.20 on the \$1.00, but that the project is still a good deal. Councilor Woods said the cost may be \$40,000 versus \$70,000, but neither includes labor and equipment. Ms. Palmer said that when speaking with Mr. Gilbert, he said trucks with sprayers would be donated, that the \$40,000 is for the cement/stucco. Councilor Woods continued saying the return of investment, even with a loan is still better than for the city to do this on their own later. He then asked if grant funds could be used to pay off an existing loan as they come in. Ms. Palmer said this could not be done as grants do not work in this manner. Assistant City Manager Linda Hall stated that one of the problems securing a loan from the electric department is that the law is very strict on what the City can and cannot use utility reserves for. The City has secured loans from the electric department in years past, but they were years where two substations were not being rebuilt. She added that we are currently financing the rebuilding of the south substation, which will be a huge improvement on the south hill infrastructure. An interfund loan is possible, but has to be paid back in full within the same fiscal year or interest must be paid. This is not an option this year. If we had an interfund loan spread out over two to three fiscal years, which utility reserves could not be used because it is a public building fund, the loan would have to be paid back with interest. The City is currently carrying the debt service on the property across from city hall, which the general fund is hit with the full payment. The

garbage truck will be financed as well. Mr. Richmond was fortunate to secure a loan with a very good interest rate for this purchase, but this loan is pledging a new truck as collateral. Ms. Hall continued saying she did not know what could be pledged for collateral other than the City's buying power. There is no one on staff that does not want to see this project through. Ms. Hall stated Delphine Palmer was the biggest cheer leader, but staff is also obligated to watch the future of the City's financial status. Currently, it is not good times for municipalities within the State of Oregon, and the City of Milton-Freewater is no exception. The City is bracing for the next budget year which will be especially difficult as we will all be seeing the sunset of the last of the inexpensive power purchases from Grant County PUD contracts. Every report that Electric Superintendent Mike Charlo gives to Ms. Palmer is worse. Ms. Hall continued saying the \$51,000 that staff scraped together is about as far out as staff feels comfortable to use for this project. Ms. Hall said Mr. Richmond was conservative when he said this project was hitting community donations hard as other community donation line items are not being hit hard, they are being wiped out. Any requests for the rest of the year from baseball teams, Pioneer Posse to senior citizen center are eliminated. As most know, employees have been laid off and hours reduced on others. Staff has been approached with complaints that the City can't afford \$1,000 a month for tourism promotion. There seems to be no end to the amount of money we are requested to contribute. Ms. Palmer said she would speak with Mr. Gilbert to get a commitment to use the labor and equipment if the \$40,000 can be raised by next year. Mr. Richmond added that to date there have been \$4,700 in donations.

Councilor Kelley said there are always things to be paid for and things to do, but felt this project is a window of opportunity that she would not like to see the City lose. It will be nice to have all the work done on the inside, but then it will still look like the eighty-year old building on the outside.

Councilor Woods began a discussion regarding budget strategies if a \$40,000 loan were secured and its associated costs. Mr. Richmond explained budgets for building maintenance.

Councilor Woods said he agreed with Councilor Irving, that if you could drive down this street and see this beautiful building as one comes into town, it would be nice for that end of town. Councilor Kelley said they were on the budget committee every year and Mayor Key said that they all knew how tight the budget is.

Mayor Key asked if someone other than a bank came up with the \$40,000, if the City could pay this back over a ten-year period. Ms. Palmer thought this could be done.

Merle Sherman, 716 Pierce Street, stated he was all for the "Make A Difference Day" project, but the Freewater Merchant's turned over the pocket park to the City that they put a lot of time in that has now grown up with weeds. Ms. Hall said it had not been turned over to the City. Mr. Sherman said he had spoken with then Public Works Superintendent Howard Moss. Ms. Hall said this had not come forward and she was not aware the City had any responsibility with this park. Mr. Sherman also mentioned a burned-out building. Ms. Palmer said she knew this was an eyesore, but that the City could not legally act on this property. Councilor Kelley said that maybe a group of people could go down and clean up this little pocket park on the "Make A Difference Day".

Councilor Kelley announced that the school bond committee would be meeting on Tuesday, tomorrow evening, 7:00pm. Yard signs can go up now, so if anyone has one, please put them up. If someone needs a "Vote yes" sign, they can be obtained from John Zerba's office.

Councilor Kelley asked for a letter or resolution from the Council supporting the school bond. This has been a partnership with two committees. There is nothing from the City verbally to place in the paper in support of the school bond, and she would like to discuss this with the Council to have this done this evening. Councilor Irving said he would be for a resolution endorsing the school bond issue. Councilor Woods said he would be for a resolution as long as it would not violate some state or federal law. Ms. Palmer said she along with Ms. Hall would contact the city's attorney and draft a letter for the next council meeting if the City Attorney approves. Councilor Kelley further said she had a paper that says, "Yes I'd like to help support Milton-Freewater youth of school district #7 with bond measure number 3065. I give my permission to use my name." There will be ads in the Valley Herald to support the bond. Councilor Kelley asked if any in attendance would like their name added.

Councilor Woods said he had information sent out in council packets regarding a Watershed Conference. The conference will be paid for by the watershed and Councilor Woods asked for a consensus from council in support of Councilor Woods attending this conference. It was the Council's consensus for Councilor Woods to attend this conference and then report back.

There being no further business, the meeting was adjourned at 7:58 p.m.

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Lewis S. Key, Mayor